

## **NAVICPLA03 ORDER PROCESSING--CEILING PRICED ORDERS (AUG 1998)**

1. The unit prices and total amounts shown on page 2 are Ceiling Priced and should not exceed this dollar amount. The ACO at <1> is hereby authorized to negotiate and definitize prices hereunder. The Contractor shall submit a price proposal to the ACO within 60 days after receipt of this order but in any event prior to 40% completion of the required repairs.

2. Upon mutual agreement, an order supplemental (Standard Form 30) shall be issued by the ACO establishing the firm-fixed prices and delivery schedule for the articles to be serviced. The prices agreed to by the ACO or the prices established pursuant to the "Disputes" Clause, as provided for below, shall be the contract prices.

3. The Contractor shall not begin servicing of any article(s) where the total cost of servicing (labor and parts) is reasonably expected to exceed one hundred percent (100%) of the item replacement price based on production run hundred percent (100%) of the item replacement price based on production run quantities of a new article in a configuration similar to the configuration of the article to be serviced.

### **LIMITATIONS OF GOVERNMENT LIABILITY**

(a) In performing under this order, the Contractor is not authorized to make expenditures or incur obligations exceeding 100% of the negotiated overall ceiling price of the order or modification.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is 100 percent of the negotiated overall ceiling price of the order or modification.

(c) Notwithstanding paragraphs (a) and (b) above, prior to definitization of an unpriced order or unpriced modification issued, the total of all payments (including but not limited to progress payments and provisional billing prices payments) made by the Government for such unpriced order or unpriced modification will in no event exceed:

(i) 50 percent of the negotiated overall ceiling price for that unpriced order, or unpriced modification or

(ii) 75 percent of the negotiated overall ceiling price for that unpriced order or unpriced modification if, upon receipt of a qualifying proposal and when requested by the contractor, the procuring contracting officer modifies the unpriced order or unpriced modification in writing to so provide. For the purposes of this clause, the term "qualifying proposal" is one which is in accordance with FAR 15.804.

## **CONTRACT DEFINITIZATION**

(a) A Firm-fixed price definitive order is contemplated. The Contractor agrees to begin promptly negotiating with the ACO the price and delivery of a definitive order. The Contractor agrees to submit a firm-fixed price proposal supporting its proposal.

(b) The schedule for contract definitization is as set forth in this order, but in no event later than the earlier of :

(i) the end of the 180-day period beginning on the date of issuance of the order (this period may be extended, as required, but may not exceed the

180-days period beginning on the date the contractor submits a qualified proposal); or

(ii) the date on which the amount of funds expended under the action is equal to more than

(1) 50 percent of the negotiated ceiling price, or

(2) 75 percent of the negotiated overall ceiling price, if upon receipt of a qualifying proposal and when requested by the contractor, the procuring officer modifies the action in writing to so provide.

## **CEILING PRICES**

The negotiated ceiling price for an unpriced order or unpriced modification issued is the maximum not-to-exceed price for such order or modification. In no event will the Government definitize an unpriced order or unpriced modification issued at a price in excess of the negotiated overall ceiling price for that order or modification.